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Global Mobility Services: Taxation of International Assignees - Spain

*People and
Organisation*

*Global Mobility
Country Guide
(Folio)*



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Last updated: March 2018

This document was not intended or written to be used, and it cannot be used, for the purpose of avoiding tax penalties that may be imposed on the taxpayer.

Country: Spain

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Additional Country Folios can be located at the following website:
Global Mobility Country Guides

Introduction: **International assignees working in Spain**

This folio was prepared by PricewaterhouseCoopers to provide expatriates coming to work in Spain with a general background of Spanish tax law and other relevant issues. It reflects tax law and practice as of March 2018.

This folio is not intended to be a comprehensive and exhaustive study of Spanish tax law but should be used as a guide. We advise the reader against making decisions without seeking professional advice.

For further information, please contact the PricewaterhouseCoopers offices in Spain listed in Appendix D.

Step 1:

Understanding basic principles

The scope of taxation in Spain

1. As an international assignee coming to work in Spain you will, in general, become liable to Spanish personal income tax (I.R.P.F., Impuesto sobre la Renta de las Personas Físicas) or to Spanish Non-residents Tax (I.R.N.R., Impuesto sobre la Renta de No Residentes). Whether you are subject to one tax or the other will depend on your status as a tax resident or a non-tax resident of Spain. This will depend generally on the length of your stay in Spain.

Spanish Tax Resident in Spain (General Tax Regime):

Individuals spending more than 183 days during a calendar year in Spain. These, are generally subject to Spanish income tax on worldwide income and assets, regardless of where it was generated. For Spanish Tax Resident, all income, less statutory reductions, is aggregated and subject to tax at progressive rates from 19 up to 45%

Spanish Non-Tax Resident:

Individuals not spending more than 183 days during a calendar year in Spain. As a result of being considered as a non-tax resident in Spain, you are subject to tax on income and assets from Spanish source only, at a flat rate of 24%. The tax rate for residents of other EU or EEA Member States with which there is an effective exchange of tax information shall be 19%. In case of investment income the tax rate is 19%. For Spanish Non Tax Resident, capital gains derived from the sale of assets are included in the "savings base" of the taxable base and are taxed at 19%. The amortization coefficients regime for taxpayers in connection with assets acquired prior to 31 December 1994 and not used in the business, has been modified as per 1-1-2015. There is a quantitative limit to apply these coefficients to capital gains produced until January 20th 2006 for transfer of assets that have been acquired before

December 31st 1994. The transfer maximum amount is 400,000 euros and it should take into account not only the transfer value on disposal of the asset, but also all the transfer values of the rest of the assets subject to amortization coefficients.

A Spanish Non-Tax Resident is not permitted to offset capital losses against capital gains.

In the case of capital gains arising from transfers of real property by a Spanish Non Tax Resident, 3% of the sale price must be withheld by the purchaser (Form 211), to be credited against the income tax payable by the seller upon filing the income tax return (Form 210).

In general terms, no deductions are permitted to Non Spanish Tax Resident, apart from donations. Whereas, Spanish Non-Tax Residents which are considered as Tax Resident in an European Union country could exceptionally apply deductions for expenses or depreciation.

*Spanish Tax Resident
(Special Tax Regime for
inbound Expatriates):*

Individuals who come to work to Spain may be taxed as non-residents if the following requirements are met:

- This person cannot have been considered as a tax resident in Spain during the 10 tax periods previous to the year when he is assigned to Spain (10 years without taking into account the assignment year to Spain, no matter if he is considered as a tax or non-tax resident in Spain during the assignment year).
- The assignment to Spain must be due to a local labour contract or assignment to another entity of the Group, and also could be related to the acquisition of the condition of member of the Board of Directors of a company, always observing some requirements.

Income may not be obtained by what is would qualify as a permanent establishment in Spain. When the assignment to Spain is the result of an employment contract, the special employer/employee relationship of professional

sport persons regulated by Royal Decree 1006/1985, of 26 June, shall be excepted.

The application of this option must be done within six months since the individual starts his activity in Spain (i.e. he is registered before the Spanish social security or since the date that appears in the documents to maintain the home country social security scheme).

The taxpayer shall be taxed on earned income obtained both in Spain and abroad. However, the remaining income shall only be taxed when the same has been obtained in Spain.

The annual tax return is filed in May-June of the year following the year for which the return is filed (**Form 151**).

Law 26/2014, of 27 November 2014, amending the Spanish PIT Law introduces changes to the special tax regime applicable to works assigned to Spain.

The application of such changes to assignments to Spain after 1 January 2015 shall be compulsory.

However, taxpayers who were assigned to Spain prior to said date may be opt to continue applying the special tax regime in accordance with the wording of the law in force up until 31 December 2014. This option can be exercised by presenting the annual tax return in the months of May-June, of the year following the year for which the return is filed (**Form 150**).

According to the new special tax regime regulation the entire earned income obtained by the

taxpayer during the application of the special tax regime shall be deemed to be obtained in Spain with the exception of the income derived from an activity developed (i) Prior to the date of displacement to Spain, (ii) after the date of departure communication from Spain.

It is possible to apply for a deduction due to double international taxation of earned income in Spain.

Such deduction will be limited to 30% of the part of the tax liability corresponding to the totality of the earned incomes obtained in FY.

It is not possible to apply reductions or other deductions on the results achieved, except for double taxation deduction and the deduction for donations to certain entities.

The employee will lose the right to benefit from this special tax regime if later on he does not meet any of the requirements set forth in the legislation.

In case an individual under the special tax regime ends his assignment in Spain it is required to submit an exit communication of Spanish territory (form 149) one month since the departure provided that the individual is considered tax-resident (stay more than 183 days in the calendar year).

2. **Transfer to the Autonomous Communities**

Please note that since 1 January 1997, powers over the following taxes have been transferred to the Autonomous Communities:

- Wealth tax
- Inheritance and gift taxes;
- Capital and property transfer tax.

As a result of this transfer, the Autonomous Communities may set, under certain limits, their own tax rates, exempt minimum figures and tax credits. The amounts mentioned in this folio are the general ones to be applied, in the event that the Autonomous Communities do not set their own rates and figures.

Control over personal income tax has also been partially transferred to the Tax department of the Government of the Autonomous Communities.

The tax year

3. The Spanish tax year matches with calendar year: from 1 January to 31 December.

Determination of residence

4. You will be considered a Spanish Tax Resident for Spanish tax purposes if you

fulfil any of the requirements set out below:

- You spend more than 183 days in Spain during the calendar year; or
- The principal place of your business, professional or economic interests is located in Spain; or
- Your family permanently resides in Spain (except in cases of legal separation or circumstances where you can prove tax residence in another country).

Temporary absences from Spain are counted as days in Spain in determining whether you fall within the 183 day test, unless you can prove tax residence in another country. Generally, the Spanish tax authorities require a certificate of tax residence issued by the tax authorities of another country as evidence of residence in such country.

If you spend 183 days or less in Spain during the calendar year or are otherwise not considered tax resident, you will be considered a Spanish Non-Tax Resident for Spanish tax purposes and, as a result, will not be subject to personal income tax but to Spanish Non-Tax Resident tax.

5. Under Spanish legislation, there is no such status as part-year resident. An individual considered as either Spanish Tax resident or Spanish Non-Tax Resident is taxed as such for the entire taxable year.

If, as an individual working in Spain, you are considered to be resident in both Spain and your home country, reference should be made to the relevant tax treaty to determine the country in which you will be regarded as resident.

Most double tax treaties signed by Spain consider the following items to be relevant in determining the place of residence:

- Permanent home;
- Personal and economic relations (centre of vital interests);
- Habitual abode; and
- Nationality.

Methods of calculating tax

6. For Spanish Tax Resident, all income, less statutory deductions is aggregated and subject to tax at progressive rates from 19 up to 45%

Tax credits are allowed based on certain expenses and investments.

Wages, interest and dividends, paid by a Spanish entity to a resident of Spain,

are subject to withholding of Spanish personal income tax. The withholding tax (including payments on account made on benefits in kind) is not considered a final tax, but is credited against the self-assessed tax calculated when filing the annual tax return.

Available exemptions for outbound assignees:

In the case of outbound assignees that are regarded as Spanish Tax Residents, the legislation establishes certain exemptions on employment income in the terms outlined below.

- Exemption for work performed abroad under Article 7.p) of the Personal Income Tax Law.

Employment income for services rendered in a foreign country are tax-exempt, up to 60,100 Euros per annum for income during fiscal year in question, so long as the following conditions are met:

- The work must be performed physically out of Spain;
- The work is performed for a company or

entity Spanish Non-Tax Resident in Spain, or for a permanent establishment located in a foreign country;

- In the territory where the work is performed, a tax of identical or analogous nature to Spanish Personal Income Tax is applied, and the territory is not considered by the Income Regulation as a tax heaven.

- Exemption for complements by destination, called "excess regime".

Under this Regime, any additional allowances received by the employee as a consequence of the assignment are tax exempted. Note that in order to be able to benefit from this exemption, the individual's assignment must last more than 9 months.

Additionally, please note that income generated by pension plans during the capitalization until the

income is made available is exonerated from tax.

Spanish Tax Resident under Special Tax Regime and Non-Tax Resident in Spain

Non Spanish Tax Residents are subject to tax on Spanish source income only (subject to treaty exclusion). Income from Spanish source includes income or gains realized in Spanish territory, or income paid by an entity resident in Spain, in certain cases.

In the case of Spanish tax residents under the Special Tax Regime (new regulation), the totality of the employment income received by the taxpayer during the application of the special tax regime is understood to be received within Spanish territory.

Notwithstanding this, all employment income derived from an activity performed prior to the transfer to Spanish territory or after the communication of the departure from Spain, won't be understood to be obtained during the application of the special tax regime.

There are special rules concerning interest paid by a Spanish entity.

Those individual who are taxed under the Special Tax

Regime are subject to tax on their income from the general tax base (f.i., employment income) to taxation at a flat tax rate of 24% on the first 600.000€ and 45% on the exceed .

The Spanish Non Resident tax on general income is calculated at a flat rate of 24% of gross income. However, the tax rate for residents of other EU or EEA Member States with which there is an effective exchange of tax information shall be 19% . Capital gains realized by a Spanish Non-Tax Resident, as well as investment income are taxed at a rate of 19% .

A Spanish Non-Tax Resident is not permitted to offset capital losses against capital gains.

In the case of capital gains arising from transfers of real property by a Spanish Non Tax Resident, 3% of the sale price must be withheld by the purchaser, to be credited against the income tax payable by the seller upon filing the income tax return.

In general terms, no deductions are permitted to Non Spanish Tax Resident, apart from donations. Whereas, Spanish Non-Tax Residents which are considered as Tax Resident in a European Union country could exceptionally apply

deductions for expenses or depreciation.

Special cases of exemption for Non-Tax Residents

7. Spanish Non-Tax Resident individuals are not subject to Spanish tax on capital gains realized on public debt.

Spanish Non-Tax Resident individuals who are residents of EU countries are not subject to Spanish tax on Spanish source interest income or on capital gains derived from sale of movables assets.

In addition of that, tax exemption for reinvestment on a new principal dwelling is applicable for Spanish Non-Tax Residents who are residents of an EU country.

These exemptions do not apply when the income is earned by residents of countries considered as tax heavens.

Family unit

- i. For Spanish Tax Residents, rates vary depending on the familiar status.

There are two different definitions of "family unit":

- a. Couples married with no children, with under-age children or disabled children who are of legal age and who are judicially subject to

extended or restored care and control.

Married taxpayers resident in Spain for tax purposes may choose between filing jointly or separately. Generally, it is more advantageous to file separately when both are employed or self- employed.

The laws under which a couple were married (community property or separation of assets) would be considered in determining ownership. Personal service income (i.e., employment income) may not be split, but is taxed to the person performing the services. A reduction, "Personal Minimum", is deductible from the assessment base. This quantity is generally up to 5,550 Euros per annum for married persons filing separately. This amount increases after the age of 65. Couples filing jointly may have a reduction on the taxable base of 3,400 Euros.

- b. In the event of legal separation or where there is no marriage, the unit formed by the father or the mother and all the children who live with either one of them meet the requirements to which the previous point refers.
 - i. Spanish Non-Tax Residents are

subject to tax on an individual basis. They are taxed on income obtained, as generally determined under the income tax rules for residents, but they are not allowed to choose between joint and separate tax returns.

Step 2:

Understanding the Spanish tax system

Tax Resident in Spain

8. Taxable income will be divided into:

- I. General income
- II. Savings income

General Base integrated by income from:

- Employment;
- Economic activities;
- Income from Real estate property;
- Capital gains not considered as Saving income

Saving Base integrated by income from:

- Income derived from the participation on equity of any entity.
- Income obtained from the transfer of own capital to third parties, except in the case of income received from entities related to the taxpayer (interest checking accounts, interest on bonds, REPOS, etc).

- Income obtained as a result of capitalization transactions, or life insurance or disability contract and income from capital taxation.
- Gains/losses which become apparent as a result of the transfer of assets.

9. The following elements (among others) are specifically exempt from taxation, usually subject to certain limits on the amount involved:

- Certain literary, artistic and scientific awards;
- Indemnities received for dismissal from employment, to the extent that the amount of the indemnity is, within certain limits, provided by Spanish employment law;
- For indemnities received because of unfair dismissal, the exemption is limited to EUR 180.000 €
- Indemnities received as a consequence of

civil liability for physical or psychological damages, to the extent approved in court;

- Indemnities received for employment-related accidents or illness;
- Child support received from a parent following a court decision;

General Base Employment income

10. Remuneration includes salaries, wages, bonuses and incentives, director's fees, participation in profits, sales or income arising from personal services, pensions and retirement payments, representation costs, unemployment benefits, and employee prizes and awards not otherwise excluded by law.
11. Reimbursements for expenses incurred in an employment-related move are excluded from taxable income to the extent that they relate to travel to the new location for the employee and

family, and expenses for moving household belongings.

12. Settling-in allowances and reimbursements of temporary living expenses are subject to tax. Reimbursements for expenses incurred during business travel are excluded from taxable income, subject to certain limitations.

13. Alimony received from an ex-spouse is taxed as employment income.

14. The law deals at length with the reporting and taxation of benefits in kind. Remuneration in kind includes the use or receipt of goods or services, either without charge or at a cost lower than fair market value.

The law provides specific valuation of the following benefits in kind (this list is not exhaustive).

Automobile

15. The benefit in kind derived by an employee from an employer-provided automobile may be valued according to the following rules:

- The handing over of the car to the employee will be valued by the acquisition cost to the employer,

including non deductible taxes;

- When the car is not handed over, but only its use, if the car is owned by the employer, the annual benefit is equal to 20% of the cost of the car, including taxes. (On the other hand, if the car is not owned by the company, its value will be 20% of the market value of the car as if it were new);

- In the case of use and later handing over, the valuation should take into account the taxes paid on the previous use.

The law does not provide specific rules for determining personal versus business usage. It is recommended that you maintain records to support the amount of business usage claimed, or the tax inspector may consider that the full usage of the car represents a taxable benefit.

Accommodation

16. If the employer is the owner of the property: taxable at 10% of the rateable or cadastral value (property tax value) and is limited to 10% of the employee's remuneration. If the property's rateable value has

been reviewed or modified during the ten previous years, the rate applicable will be 5%. If no rateable value has been notified, the income subject to taxation would be 5% on 50% of the acquisition price of the house.

If the employer is not the owner: taxable at the cost of the rental assumed by the payer, including taxes. Please note that the resulting valuation shall not be less than that would have been payable if the employer is the owner.

Loans

17. No-interest or low-interest loans are taxed to the employee, valued at the difference between interest paid and interest calculated using the legal interest rate or the Spanish market interest if it were lower.

Employer contributions to a pension or retirement plan:

18. Employer contributions to a pension or retirement plan are taxed to the employee at the amount of the contribution. The employee may be eligible for deduction in the case of a contribution made to a pension plan (subject to certain requirements and limits).

19. **Other:** other unclassified payments are valued at market prices.
20. Benefits in kind (except for contributions to a pension plan) are, in principle, subject to a payment on account. The employer is responsible for making the payment of personal income tax on behalf of the employee. However, the employer has the possibility of withholding this amount from the employee's salary, or assuming its cost himself. If the cost of the withholding tax is assumed by the employer, this amount is also subject to taxation, as it is considered as more income for the employee.
21. Employment income includes benefits received by beneficiaries of retirement pension plans, social welfare pension insurance society, and company social welfare pension plan, and individual insured welfare pension plan, if certain requirements are met.

Irregular income

Employment income is generally computed by its whole amount. However, a 30% reduction on taxable income is applicable for work income obtained during more than two years, provided that it is taxable during only one tax period – there is no possibility of splitting up payments- and that the taxpayer

has not obtained any profit generated during a period longer than two years where this reduction had been applied, during the previous five tax years. The maximum amount subject to this reduction is 300.000 euros.

For share-based remuneration plans signed before January 1st 2015, generated during a period longer than two years and whose payment could be splitted before January 1st 2015, there is a 30% reduction on taxable income for units taxable from January 1st 2015.

If the plan was signed before January 1st 2015, and its splitted payments are going to be carried out after January 1st 2015, there is the possibility of obtaining them in only one payment. In this way, the 30% reduction can be applied from January 1st 2015, if all requirements are met.

For stock option plans there is a transitory Provision for all those plans that are exercised from year 2015 but are granted before January 1st 2015 and considered as irregular income – that means, they are exercised two years after beaing granted and not granted on a recurring basis-. In this way, there is a 30% reduction on taxable income – taking into account the limit established by the current regulation – even though the taxpayer had applied this reduction to other income during the previous five tax years.

There is no definition as to what constitutes a "recurring" basis, but

in the case of stock option plans the Tax Authorities have established that annual grants will be considered frequent. This reduction may also be applied on income that, under the legislation, is considered to have been generated in a clearly inconsistent manner over time.

22. From January 1st 2015, the limit related to reduction applicable to stock option plans, has been abolished.
23. The 30% reduction is eliminated for certain lump-sum amounts such as benefits received from pension plans. So, careful analysis on this matter is recommended.
24. Severance payments on termination of employment, are subject to a 30% reduction if they have been generated during a period longer than two years, taking into account that the generation period is the years in which the individual has been employed. Their payment can be splitted, although during the previous five years the employee must not have applied the reduction.

This reduction can be applied to a maximum amount of 300,000 € per year, however, if the severance payment is between 700,001 € and 1,000,00 € the reduction can be applied to a smaller amount (the limit is established in the amount

resulting of the difference between 700,000 € and the severance payment receive minus 300,000 €), and if the payment is higher than 1,000,000 €, no reduction can be applied.

25. **Alimony paid to an ex-spouse** in satisfaction of a judicial decision is deductible from the payer's taxable income.
26. **Child support** paid is not deductible from taxable income although the tax scale can be applied separately to this amount.
27. The following **deductions** are allowed in computing taxable employment income:
 - Mandatory social security contributions paid by the employee;
 - Mandatory contributions to mutual benefit societies, providing for widows and orphans upon the death of the participant;
 - Dues to unions and compulsory contributions to professional colleges; and
 - Expenses incurred in litigation with the employer regarding earned income, limited

to 300 Euros per annum.

- An annual amount of 2,000 euros in respect of other expenses which may be increased according to the circumstances of the taxpayer.

Reductions

28. Where earned income is equal or below 11.250 €, a reduction of 3.700 € is applied.
 - Where earned income is between 11,250 € and 14,450 €, the reduction is the amount obtained as follows: $3,700 - 1,15625 \times (\text{earned income} - 11,250 \text{ €})$.
29. Unreimbursed employee business expenses and moving expenses are not allowed as deductions from income.
30. The employer will need to make the corresponding withholdings on remuneration paid to its employees. Such withholdings are made on a monthly basis and reported on a monthly/quarterly basis to the Tax Authorities by the employer.
31. The withholding percentage may vary during the year if

your circumstances (salary and family situation) change.

32. The amount of income tax withheld is credited against your final tax liability upon filing the return.
33. Social security is withheld from salary based on your category and amount of salary.

Self-employment income

34. Self-employed individuals considered Spanish Tax Resident in Spain who carry on economic activity are generally required to make instalment payments of tax during the year. In calculating tax liability, the individual may use one of the following estimation methods:
 - Direct estimation:
 - Normal
 - Simplified
 - Objective estimation.
35. For the first two methods, the activity's assessment base is determined according to the Corporate Income Tax Law although with some specific differences. For objective estimation, the activity's assessment base is determined in accordance with signs, indexes and modules issued by the Treasury Department.

Capital gains arising from assets used for economic activities are not included in determining taxable income from these activities but are taxed as Spanish capital gains for the individual.

Income generated during a period over two years and those obtained not recurrently may be reduced by 30%, up to a maximum base of 300.000 Euros. This reduction will not apply when within the five previous years the individual obtained income generated during a period over two years and applied the mentioned reduction.

36. A general deduction of 2,000 € in respect of other expenses is applicable on the earned income.

Additionally, the following legal reduction are applicable:

- When earned income is equal to or below 11.250 €, a reduction of 3,700 € is applied.
- When net earned income is between 11.250 € and 14.450 €, a reduction of 3.700 € $1, 15625 \times (\text{earned income} - 11,250 \text{ €})$.

37. Individuals engaged in economic activity are required to maintain a set of accounting records and

register books (general ledger, balance sheet, etc.) that vary depending on the estimation regime used and the activity carried out.

38. Generally, self-employed individuals are required to make four instalment payments during the tax year, on account of the final tax liability; however, this requirement does not apply to individuals who carried out professional activities during the previous year and for whom at least 70% of the individual's income has been subject to withholding.

The payments are based on the individual's estimated taxable income on a quarterly basis depending on his/her activity's estimation regime.

39. Nevertheless, if you start a business activity, this percentage would be reduced to 9% for the year in which the activity begins and the following two years, subject to certain conditions.

Income from real estate

40. Income arising from real estate property is taxed based on the nature of the property and its use, as follows:

- Amounts received for the rental or sub-rental of urban or rural real estate property or vacant land are fully

included in taxable income;

- Unoccupied or owner-occupied rural real property is not taxed; and
- Principal residence property is not subject to personal income tax.

41. *Deductions* are allowed from rental income for expenses and taxes related to the property necessarily incurred in obtaining the income.

Interest paid on mortgages or loans to purchase rental property is deductible as well as conservation and repair expenses, up to the amount of gross income derived from the rental.

Depreciation of rental property is allowed, at a rate of 3% of the property's acquisition cost or the cadastral value (the higher amount), excluding the land's value.

The positive net income obtained from the lending of property to be used as a dwelling will be reduced by 60%.

42. Income from real estate property generated over a period of two years may be reduced by 30%. The maximum amount that can benefit from this reduction is 300.000€.

Imputed income on real estate:

43. Ownership of urban property that is not rented or used for an economic activity, excluding real estate used by the owner as a permanent residence, is subject to tax on a deemed income basis. The deemed income is calculated by applying a 2% rate to the property's "cadastral" value (1.1% if the cadastral value of the real estate has been revised within the previous ten tax years). If no cadastral value has been communicated, the deemed income would be 1.1% on 50% of the acquisition value, or the value verified by the Spanish Tax Authorities, if it were higher.

Capital Gains included in the General Base

44. Capital gains should be calculated as the difference between the selling price and the acquisition cost, at the time of any alteration in its asset composition.
45. Capital gains and losses not derived from transfers of assets are included in the general tax base.

Savings Base

Investment income

46. Investment income includes the following:
- Income derived from capitalization operations

and life and disability insurance contracts.

However, investment income arising from certain capitalizing operations and from life and disability insurance, which is not considered earned income, may enjoy the application of certain reducing percentages that vary up to 30%. A limit on all this 30% reduction has been established, only 300.000 Euros of the income earned can apply for the reduction.

- Dividends and shares of profits of a company. (As per 1-1-2015 onwards, the exemption for the 1.500 € on dividends is no longer applicable).
- Interest on bank account: is taxable at the gross amount (although you may receive the income net of Spanish withholding tax).

Certain administrative expenses are deductible in computing taxable investment income.

47. Long-Term saving plan is a new way of savings applicable for tax year 2015 onwards, which keeps the saver exempt

from taxation if the product is kept for five years and some requirements stated in Law are met. The annual maximum contribution is 5.000€.

Capital gains in the Savings Base

48. We are referring to gains and losses which become apparent as a result of a transfer of assets.
49. Capital gains are calculated as the difference between the selling price and the acquisition cost. From the selling price, you may deduct the expenses derived from the sale. The acquisition cost is calculated as the acquisition price of the asset plus the cost of improvements or additions, less deductions for depreciation.
50. For capital gains arising from assets acquired before 31 December 1994, the capital gain must be divided in two parts:
- Amount generated from the acquisition date to 19 January 2006, to which the consolidated reduction coefficients will be applied;

There is a quantitative limit to apply these coefficients to

capital gains produced until January 20th 2006 for transfer of assets that have been acquired before December 31st 1994. The transfer maximum amount is 400,000 euros and it should take into account not only the transfer value on disposal of the asset, but also all the transfer values of the rest of the assets subject to amortization coefficients.

- Amount generated from 20 January 2006 to the date of the capital gain, to which no reduction coefficients will be applied, but which will be taxed at 19 % on the first 6,000 €, at 21% from 6.001 € to 44.000 € and 23% up to 50.000€.

51. For the purpose of the first calculation, the gain will be reduced by the following percentages for every year after the first two years following the date when the asset was acquired, going back to 31 December 1996 rounded up:

- Real property: 11.11%. Capital gains arising on property held for more than ten years will be tax exempt;
- Listed shares: 25%. Capital gains arising on shares held for more

than five years will be exempt;

- Other assets (including holdings in investment funds): 14.28%. Capital gains arising on holdings owned for more than eight years will be tax exempt.

The reduction explained above will have to be applied exclusively to the capital gain generated up until 20 January 2006.

52. Capital gains and losses resulting from dispositions of fixed assets attached to business or professional activities are determined according to the above mentioned rules, since they are not included in the individual's assessment base as income or loss arising from an economic activity. Nevertheless, the reduction percentages expressed above would not be applicable. An asset will not be considered attached to a business or professional activity where the asset is detached from that activity at least three years prior to its disposition.

However, the gain arising from the transfer of an asset attached to business or professional activities may be deferred provided the gain is reinvested in accordance with the rules stated by the

Corporate Income Tax legislation.

Sale of principal residence

53. The gain on the sale of a principal residence may be exempted if the sales price is re-invested in a new principal residence within two years from the sale date. Reinvestment of part of the sale price will result in partial deferral.

54. Law 26/2014, of 27 November 2014, amending the Spanish Non-Tax Residents Law introduces changes concerning the sale of principal residencia also applicable to non-tax residents. It may be exempted the capital gain arisen from the sale of principal residence for those individuals tax-residents within an EU Member State or EEA State who has signed an exchange of information agreement, provided that the conditions settled down in paragraph 53 are fulfilled.

Integration and compensation

55. The general base it would be the sum of the followings:

- a. The addition and compensation of employment income, real estate income, and self-employment income.

- b. The positive income from the addition and compensation of the capital gains included in the general base.

If B income is negative, it could be compensated with the positive A income up to the 25% of it. In the case of an excess it could be compensated during the 4 following fiscal years.

56. The savings tax base will include income from investments as well as those capital gains and losses derived from the transfer of assets, no matter when they were raised.

Compensation among them is allowed, within 25% limit, for positive and negative balances from income from investments and capital gains and losses. Nevertheless, the limit will be as follows:

- a. 10% during tax year 2015
- b. 15% during tax year 2016
- c. 20% during tax year 2017
- d. 25% from tax year 2018 onwards.

Calculation of tax

57. A structure is created for the taxation of income through two concepts: the general

base and the savings base. The savings base will include investment income and capital gains/losses which arise with the transfer of an asset. The savings base will be subject to 19% tax on the first 6,000 €, at 21% from 6.001 € to 44.000 € and 23% up to 50.000€.

58. The remaining income components will form the general base, subject to a progressive tax scale.
59. Contribution to pension plans, social welfare pension insurance societies, company social welfare pension plans and individual insured welfare pension plans: The total annual contributions, including those made by the company, that qualify for a reduction in the tax base may not exceed the lower of the following sums:

- 30% of work/economic activities net income obtained during the tax year
- 8,000 € per year

The limit is a combined amount for contributions by the taxpayer and by the company.

60. Where the contributions could not be deducted in the year they were made due to an insufficient tax base or because the above-mentioned percentage limits were

exceeded, they may be deducted in the following five years, subject to the same limits.

61. A reduction for contributions to retirement pension plans in which the contributor's spouse is a participant, member or holder is available, subject to a limit of 2,500 € per annum and provided the spouse does not obtain net earned income or net income from business activities, or the amount obtained does not exceed 8,000 € per annum.
62. The reduction for contributions to retirement pension plans set up for disabled people is available. This reduction has a maximum limit of 10,000 € per annum and contributions are compatible with those made to the contributor's own pension plan. The maximum limit of the reduction is 24,250 € per annum in the case of contributions made by the disabled participant and the combined maximum limit is also 24,250 €.
63. A reduction for contributions to protected assets of disabled persons up to 10,000 € per annum per contributor is available. However, a combined contribution limit of 24,250 € is applicable.

64. Income accrued by the pension plan or friendly societies is not taxed to the beneficiary until distributed as employment income.

Personal and family minimums

65. The personal and family thresholds are computed in

the general tax base. Any excess – general base lower than the threshold amounts - is included in the savings base.

Personal	5,550 €
Taxpayers aged over 65 (additional increase)	1.150 €
Taxpayers aged over 75 (additional increase)	1,400 €
Ascendants aged over 65	1.150 €
Ascendants aged over 75 (additional increase)	1,400 €
First child	2.400 €
Second child	2,700 €
Third child	4.000 €
Fourth child and subsequent	4.500 €
Increase for children aged under three	2,800 €
Disability	3.000 €
Persons > 65% disabled	9.000 €

66. The minimum for descendants is applied in respect of single descendants below the age of 25 or disabled descendants that live with the taxpayer or those who are economically dependent of him, where their annual income, excluding exempt incomes, does not exceed 8,000 € or the descendant do not submit a tax return with income exceeding 1,800 €.

The minimum for ascendants is applied where the ascendant lives with the taxpayer and their annual income, excluding exempt

income, does not exceed 8,000 €.

Tax credits

Deduction for Investment in habitual dwelling:

67. Deduction for habitual dwelling has disappeared from January, 1st 2013. Therefore, only individuals who acquired before that date can benefit from the deduction.

The tax credit for investment in a habitual dwelling amounts to 15 % of amounts paid to acquire or reform the habitual dwelling, subject to a

maximum calculation base of 9,015 € per annum.

Deduction for renting the habitual dwelling

68. It has been abolished. Nevertheless, a transitional regime applies when the rent contract is previous to January 1st 2015 and the tax payer is entitled to a tax deduction during a tax year previous to 2015. In such case, taxpayers whose tax base does not exceed 24.107,20 Euros can apply for a deduction of 10.5% of all expenses incurred during the fiscal year on habitual dwelling rental. The amount

of the deduction will be lowered progressive for individuals with taxable bases from 9.040 Euros to 24.107,20 Euros.

Please note that each Autonomous Community could approve its own rates.

69. **Deduction for Donations:** a credit of 75% is applicable for donations to entities included in the Law 30/1994 for the first 150€. From 150€ onwards, the credit is 30% of the amount donated. When a donation for same or higher amount was made the two previous years, instead to apply the 30% it is applied the 35%. However, the credit base (i.e., donated amounts) cannot exceed 10% of the taxpayer's taxable base.
70. **Annual deduction for maternity:** of up to 1,200€ for each child that is born or adopted in Spain, applicable to women with children under the age of three who carry out an activity as an independent professional or salaried worker for which they are registered with the Social Security Authorities or a mutual insurance society.
71. **Annual deduction for large families or dependant persons with disability:** a deduction of 1.200 euros in general, provided the taxpayer carries out an activity as an

independent professional or salaried worker for which they are registered with the Social Security Authorities or a mutual insurance society. This deduction shall increase by 100% in cases of large families who come under a special category with the established limits.

72. **Other:** Other tax credits may be allowed for investment in business activities, income from Ceuta and Melilla (50% of the state and autonomous or complementary gross tax due under several circumstances), and investment in cultural patrimony (15% of the amount).

Foreign tax credit

73. A credit is allowed for foreign source income taxable in Spain, calculated as the lesser of:
- Spanish tax attributed to the foreign source income; or
 - Foreign tax paid on the foreign source income.
- Tax treaties may affect the computation of foreign tax credit and should be consulted.
74. Spanish income tax withheld is applied against the final tax liability upon filing the return. Any foreign tax withheld (or paid) may be

eligible for a foreign tax credit. Nevertheless, if a tax treaty is applicable its terms should be taken into account in determining the method for calculating the tax credit and the amount that can be deducted.

Double-taxation agreements

75. We have outlined above the general principles of Spanish tax law. However an individual who is a resident of another country may qualify for a measure of relief or exemption from Spanish tax under a double taxation agreement between that country and Spain. A number of the current agreements provide various tests to determine in which of the two countries an individual is resident for treaty purposes if he or she is regarded as resident by the tax authorities of both countries.
76. Employment income earned by certain employees working in Spain on short-term assignments may not be subject to Spanish tax. Most treaties concluded by Spain contain provisions regarding the taxation of income earned on short-term Global Mobility Services. Generally, a resident of one country working in another country would not be subject to tax in Spain on employment income if:

- The individual is not present in Spain for more than 183 days during the tax year or in any 12 months period; and
- The individual is paid by or on behalf of an employer not resident in Spain, and
- The remuneration is not borne by a permanent establishment which the employer has in Spain.

77. An individual qualifying under such a provision would not be subject to tax on employment income earned in Spain, even as a Spanish Non Tax Resident. See Appendix C for a list of treaties concluded by Spain. The relevant treaty should be consulted to determine specific provisions.

Social security taxes

78. The employer and employee's Social Security contributions are calculated by applying certain percentages, annually fixed by the Spanish Government, over a contribution base.

I. Social Security contribution base

The contribution base is approximately the real gross salary received by the

employee, subject to a minimum and a maximum established by the Government each year.

II. Social Security contribution percentages

The Social Security contribution percentages applicable to the contribution base, for year 2018, are as follows:

- Employee's percentages:
 - o 6.35%, for employees working under an indefinite duration employment contract;
 - o 6.4%, for employees working under a temporary contract (this percentage applies for both full- and part-time workers and to contracts with temporary employment agencies).

- Employer's percentages:
 - o 29.90%, for employees working under an indefinite duration

employment contract;

- o 31.10%, for employees working under a temporary full-time contract;
- o 31.10%, for employees working under a temporary part-time contract;
- o 31.10%, for employees hired by means of a temporary employment agency (this percentage applies for both full- and part-time contracts).

Apart from these percentages, an additional one to cover work-related accidents and professional disease will be applicable and payable by the employer. This percentage amount will depend on the employee's job position. Additionally, social security contributions should be paid on the overtime.

79. You may be exempt from paying Spanish social security contributions, provided that the following conditions are met:
- There is a social security agreement in force between Spain

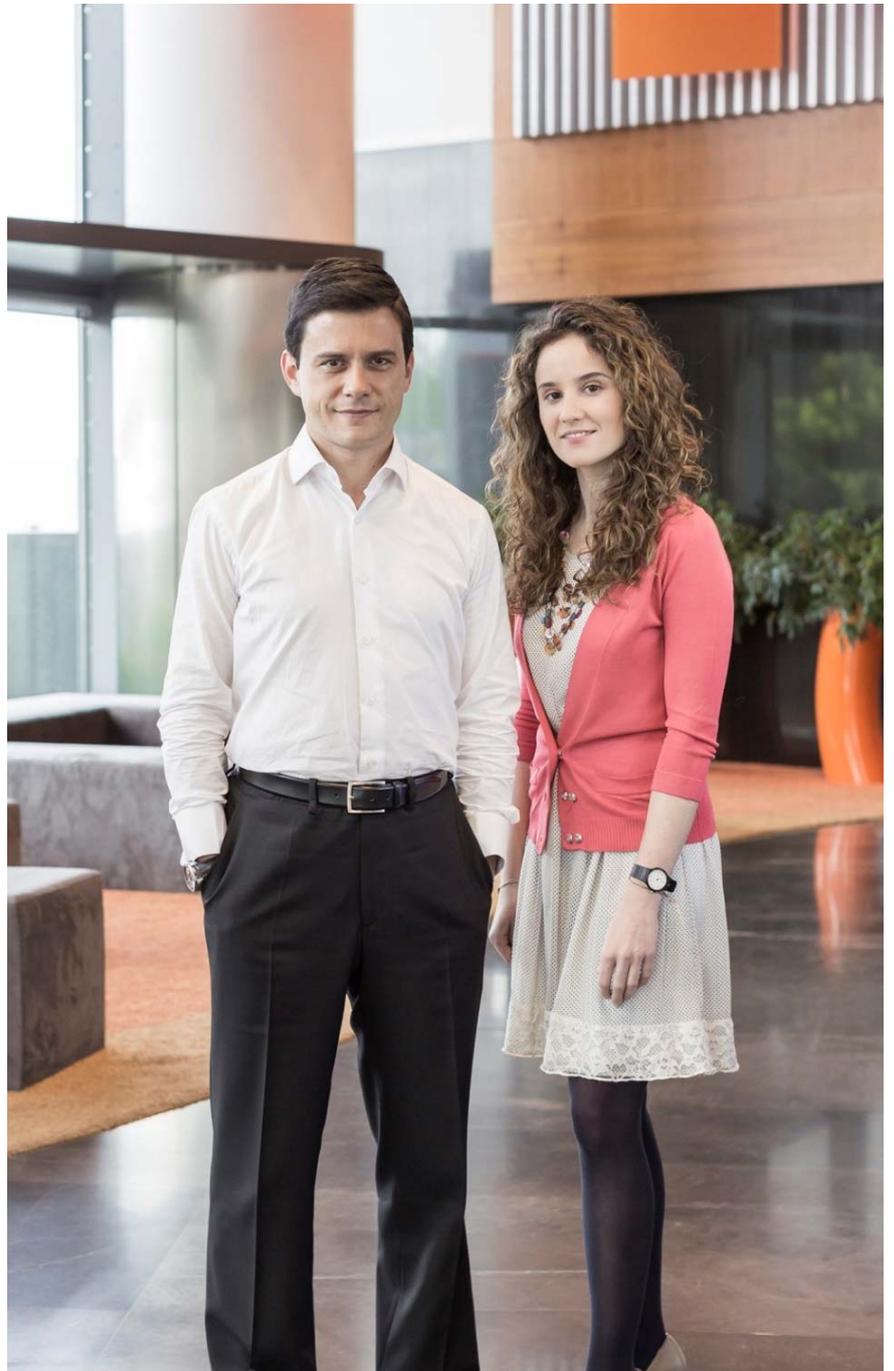
and your country of origin that allows this possibility;

- You maintain your employment relationship with your home country employer, and continue to contribute to your home country social security system; and
- Your stay in Spain is limited to a few years (usually between one to five years, depending on the agreement and on the Social Security Agreement in force between your home country and Spain).

80. To qualify for the exemption, nationals of European Union countries must obtain a certificate of continuing liability in their country of origin, and nationals from other countries must obtain a certificate of coverage from the social security administration in their home country.

81. In general terms, self-employed individuals under 50 years old as of January 1, 2010, may choose the level of contributions they wish to pay within a specified base range.

82. Social security benefits will depend upon the amounts contributed. The general rate is 29.80% on base amounts ranging between 825,60 € and 3.751,20 Euros per month. However, the rate will be 26.50% when the self-employed decide not to cover the temporary disability.



Step 3:

What to do before you arrive in Spain

Work permit

83. All international assignees, which are not citizens of EU/EEA countries or Switzerland, wishing to engage in technical or professional profit-making activities in Spain, either as employees or as self-employed individuals, must obtain a work and residence permit. Your prospective employer is responsible for applying for the necessary permits. A work and residence permit must be obtained before you may initiate employment activity.
84. In the case of EU/EEA countries' or Swiss nationals, it is not necessary to obtain a work permit, but you must apply for a European Registration Residence Card.
85. It may take between two and four months for the paperwork to be processed and your work permit to be issued. Generally, work permits are issued for a period up to two years and, if applicable, the renewal application can be filed from 2 months prior the expiration onwards.

Employment contracts

86. In order to obtain a work permit in Spain, it is necessary, amongst other requirements, to have: (i) an employment contract under the official model established by the Spanish Labour Authorities indicating that your job duties will be exercised in Spain; or (ii) a letter of assignment from the foreign employer stating that you will temporarily be assigned to work in Spain.

In addition of that, in order to obtain a work permit, it is necessary to obtain the Social Security coverage certificate duly approved by the local Social Security Authorities (in case the individual remains under his home country's Social Security system) or enroll the individual at the Spanish Social Security System as part of the Spanish company payroll.

Keep in mind that the exemption from Spanish Social Security is granted to those individuals who have an employment relationship with their home-country employers and are assigned

by those employers to work in Spain (and assuming all other requirements of the relevant Social Security agreement are met). We suggest that you seek professional advice in this regard.

Visa application

If the work permit has been processed being the employee abroad, he/she shall apply for Residence & Employment visa before the Consulate General of Spain with jurisdiction over his/her place of residence. Visa application take approximately 10 to 20 days to be processed, most times requires individual's physical presence at the application and the Consulate keeps the original passport during the process.

Step 4:

What to do when you arrive in Spain

Registration

87. Expatriates are required to register with the Spanish tax authorities upon arrival in Spain. To this end, the form 030 is required to be submitted before the Registration census.

Social security obligations

88. Generally, registration formalities with the Social Security authorities are made by the Spanish employer on behalf of the employee.

Tax identification number

89. Spanish law requires all resident individuals to have a tax identification number. This number must be supplied upon receipt of taxable income (i.e., salary), opening a bank or savings account, applying for a loan, or upon the purchase or sale of shares, real estate, etc.
90. Your work residency permit number is your tax identification number (NIE). No formal application for a tax identification number is

required unless you do not hold a Spanish work permit.

91. If your spouse does not have a NIE, the tax authorities may request you to file an individual tax return.

Residence card application

92. Once in Spain and for assignments longer than 6 months, the individual shall apply for the residence card, last step of the Immigration process.



Step 5:

What to do at the end of the year

Tax return

Resident Tax Return

93. A personal income tax return must generally be filed by a Spanish Tax Resident whose gross employment income exceeds 22,000 Euros (for joint and separate returns) during the calendar year or 12,000 Euros for taxpayers who receive income from more than one payer.

Additionally, a Spanish Tax Resident may be obliged to file a tax return if he receives personal income on excess of certain amounts specified in the law.

Forms and instructions for preparing the personal income tax return

(Declaración del Impuesto sobre la Renta de las Personas Físicas) may be downloaded from the State's website.

The completed tax return is either filed or sent to the tax office corresponding to your domicile or filed at your bank.

Returns are filed between 2 May and 30 June (please note that the exact end date to file the tax return is approved by the Spanish Tax Authorities every year in the months of March or April), to report income for the prior calendar year. The balance due may be paid in full upon filing, or be paid 60% upon filing and the remaining 40%

by 5 November. The tax return must be signed by both spouses in the case of a joint return.

Non Resident Tax Return

94. The employee will have to file a tax return for each type of income obtained. The form must be filed, generally, during the three months following the date of accrual of the income.

If income from Spanish source has been withheld correctly according to the rates provided for non-residents, the taxpayer is not required to file the tax return, given that withholding tax is equivalent to the final tax

Please find below a summary with deadlines depending on type of income:

Type of income	Tax result	Deadline
Transmission of property in Spain	Indifferent	4 months: three months after deadline of 1 month from the transmission of the property
Real State property: Imputed Income	Tax payment	The year after the accrual date: deadline 31 December
Rest of income: employment income, rental income, capital gain not obtained from the selling of a house	Tax payment	First 20 days of April, July, October and January for those income which accrual date would be the previous quarter
Rest of income: employment income, rental income, capital gain not obtained from the selling of a house	No payment due	Between 1-20th January, after year following the year on which the income has been accrued
Rest of income: employment income, rental income, capital gain not obtained from the selling of a house	Tax refund	As from 1 February after the year on which the income has been accrued. Deadline: 4 years from the period of tax withholding payment or tax return
No tax liability: no Spanish source income or income which has been already subjected to tax withholding	Indifferent	No obligation

Step 6: **What to do when you leave Spain**

Reporting your departure to the Spanish tax authorities

95. You are required to report your departure to the authorities through the submission of the form 030 before the Spanish Tax Authorities (Deregistration census). Your final Spanish tax return should be filed in accordance with the law.

Spanish Non Tax Resident

96. You may be required to file a Spanish Non-Tax Resident return in order to pay additional taxes owing or claim a refund for over-withheld taxes.

Please note that a Tax Residence Certificate abroad as well as a certificate of ownership from your bank account (any invoice is valid in this sense) will be necessary in order to request any tax refund to Spanish Tax Authorities.



Step 7:

Other matters requiring consideration

Gift and inheritance tax

97. The gift and inheritance tax is borne by the beneficiary, and is based on the relationship to the donor/deceased, the value of the gift on the date of the gift/value of the inheritance on the date of death, and the pre-gift net wealth of the beneficiary.

Wealth tax

98. Wealth tax (WT) was established, on a temporary basis, by RD 13/2011, published on 17 September 2011 and was extended for 2017. For 2018 has not been approved yet.
99. This tax levies individual's net wealth. Please note that there may be changes on the discussion in this section depending on the Autonomous Communities.

In general terms, individuals will be obliged to the wealth tax return if the total net value of their assets exceeds 700.000 Euros or the total value of their assets and liabilities exceed 2.000.000 Euros. The Autonomous Community approves the

amount of reduction in the taxable base.

If the Autonomous Community does not regulate the exempt amount, the taxable base will be reduced by € 700,000.

If the taxpayer's Autonomous Community has not approved the tax scale, they shall apply to the tax rates stated in Appendix B.

100. Non-tax residents in Spain shall be subject to WT, as non-residents, on their net assets located in Spain. However, individuals who have lost their status of residents in Spain may opt, in the first year in which they lose their resident status, to continue to be taxed for PIT purposes as residents.
101. If they are residents of another EU or EEA Member State they shall be entitled to apply the legislation of the Autonomous Community where the greatest value of the goods and rights they own are located in respect of which the tax is levied given that the same are located,

may be exercised or have to be complied with in Spain.

102. Tax residents in Spain taxed under the special tax regime established in the PIT law, shall be subject to WT, as non-residents, on their net assets located in Spain and shall apply to the tax rates stated in Appendix B.
103. In the case of tax payable, the annual wealth tax return shall be filed in May-June.

New exit tax: capital gains for change of residence

104. When the taxpayer loses the tax residency status in Spain due to a change of his/her residence, potential capital gains are subject to taxation. Positive difference between the shares market value and their acquisition value is subject to taxation, provided that the taxpayer has been considered as a Spanish tax resident at least during ten years of the fifteen tax years previous to the last one when he/she was considered a tax resident in Spain and if the following requirements are met:

- a. Shares market value is higher than 4,000,000 €
- b. When the previous requirement is not met, but the taxpayer's participation in the company is higher than 25%, provided that the shares market value is higher than 1,000,000 €.

However, it should be taken into consideration that other standards can be applied if there is a change of residence due to work relocation, or when this removal is within another country of the EU or to a country considered as a tax haven.

Foreign assets statement

105. Law 7/2012 included additional provision 18 in General Tax Law 58/2003, under which taxpayers should provide the tax authorities with information on accounts located abroad, securities, assets, shares or rights representing share capital, shareholders' funds or equity of all types of entities or the assignment to

third parties of equity and life or disability insurance of which they are the policyholders and life or temporary annuities of which they are the beneficiaries and information on real property and rights over real property located abroad.

This obligation will apply to the following parties:

- Individuals resident in Spanish territory, not including individuals under the Special Regime.
- Legal entities resident in Spain.
- Permanent establishments in Spain of non-resident persons or entities.
- Entities referred to in Article 35.4 of the General Tax Law.

The obligation to file this return will arise when the value of the assets abroad (by group of assets as explained below) exceed 50.000 Euros.

- Accounts in financial entities located abroad.

- Securities, rights, insurance and income sourced abroad.
- Real property and rights over such property located abroad.

The submission of the informative return in subsequent years will only be mandatory when the value of any of the types of assets, taken as a whole, increases by more than €20,000 compared with that which led to the submission of the last return.

The information should be reported in the period 1 January to 31 March of the year following that to which it refers.

106. Failure to file the informative returns on time and the presentation of incomplete, inaccurate or false information constitute a serious infringement of applicable tax legislation, resulting in severe penalties.

Appendix A:

Income tax rates for 2018*

Tax rates applicable for the General Base

Please find below the general tax rates applicable for 2018 tax year (*please bear in mind that this tax rates could change in the following months). Those tax rates are applied for withholding tax calculations purposes, as well as final tax rates in those Autonomous Communities that do not approve their own tax rates. However, please note that each Autonomous Community could approve its own rates. Therefore, the final tax would depend on the Autonomous Community of residence of the taxpayer.

2018*			
<i>Taxable Base</i>	<i>Tax</i>	<i>Remaining taxable base</i>	<i>Tax rate</i>
0,00	0,00	12.450,00	19,00%
12.450,00	2.365,50	7.750,00	24,00%
20.200,00	4.225,50	15.000,00	30,00%
35.200,00	8.725,50	24.800,00	37,00%
60.000,00	17.901,50	Onwards	45,00%

Appendix B:

Inheritance and gift tax, Wealth tax rates for 2018*

Inheritance and gift taxes

Are levied on the recipient at the following rates (*please bear in mind that this tax rates could change in the following months):

If not passed by the Autonomous Region (in Euros):

Taxable base over	Not over	Tax on column 1	Percentage on excess
0	7,993.46	–	7.65%
7,993.46	15,980.91	611.5	8.50%
15,980.91	23,968.36	1,290.43	9.35%
23,968.36	31,955.81	2,037.26	10.20%
31,955.81	39,943.26	2,851.98	11.05%
39,943.26	47,930.72	3,734.59	11.90%
47,930.72	55,918.17	4,685.10	12.75%
55,918.17	63,905.62	5,703.50	13.60%
63,905.62	71,893.07	6,789.79	14.45%
71,893.07	79,880.52	7,943.98	15.30%
79,880.52	119,757.67	9,166.06	16.15%
119,757.67	159,634.83	15,606.22	18.70%
159,634.83	239,389.13	23,063.25	21.25%
239,389.13	398,777.54	40,011.04	25.50%
398,777.54	797,555.08	80,655.08	29.75%
797,555.08	and above	199,291.40	34.00%

Wealth tax rates

If the taxpayer's Autonomous Community has not approved the tax scale, they shall apply to the following tax rates (*please bear in mind that this tax rates could change in the following months).

Taxable income	Gross Tax payable	Remaining Tax Base	Tax Rate
<i>Up to</i>	<i>€</i>	<i>Up to €</i>	<i>Tax rate%</i>
0,00	0,00	167.129,45	0,2%
167.129,45	334,26	167.123,43	0,3%
334.252,88	835,63	334.246,87	0,5%
668.499,75	2.506,86	668.499,76	0,9%
1.336.999,51	8.523,36	1.336.999,50	1,3%
2.673.999,01	25.904,35	2.673.999,02	1,7%
5.347.998,03	71.362,34	5.347.998,01	2,1%
10.695.996,04	183.670,30	And above	2,5%

Appendix C:

Double-taxation agreements

Countries with which Spain currently has double-taxation agreements:

- *Azerbaiján, Bielorusia, Cabo Verde and Perú have signed a double taxation treaty with Spain.
- **Jersey Island, Isle of Man and Guernsey Island have signed an exchange of information clause

Albania	Former states of USSR	Netherlands	United Arab Emirates
Algeria	France	New Zealand	United Kingdom
Argentina	Georgia	Norway	United States
Armenia	Germany	Nigeria	Uruguay
Australia	Greece	Pakistan	East Timor (Indonesia)
Austria	Hong Kong	Philippines	Venezuela
Barbados	Hungary	Poland	Vietnam
Belgium	Iceland	Panama	Andorra
Bolivia	India	Portugal	Oman
Bosnia Herzegovina	Indonesia	Qatar	Jersey island**
Brazil	Iran	Rep. Dominicana	Isle of Man**
Bulgaria	Ireland	Romania	Guernsey Island**
Canada	Israel	Russian Federation	Azerbaiján*
Chile	Italy	Saudi Arabia	Bielorusia*
China, P.R.	Jamaica	Senegal	Cabo Verde*
Croatia	Kazakhstan	Serbia	Perú*
Cuba	Kuwait	Slovak Republic	
Cyprus	Japan	Slovenia	
Czech Republic	Latvia	South Africa	
Colombia	Lithuania	South Korea, Rep. Of	
Costa Rica	Luxembourg	Singapore	
Denmark	Macedonia	Sweden	
Ecuador	Malaysia	Switzerland	
Egypt	Malta	Thailand	
El Salvador	Mexico	Trinidad and Tobago	
Estonia	Moldova	Tunisia	
Finland	Morocco	Turkey	

Social security agreements

The Social Security EU Regulations must be applied to coordinate the different Social Security systems of the UE countries and with the member states of the European Economic Space and Switzerland. These regulations replace the bilateral agreements signed by Spain with these countries.

The EU countries are: Germany, Austria, Belgium, Czech Republic, Cyprus, Croatia, Denmark, Slovakia, Slovenia, Spain, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxemburg, Malta, the Netherlands, Poland, Portugal, United Kingdom, Sweden, Bulgaria and Romania.

The member States of the European Economic Space are: EU countries, Iceland, Liechtenstein and Norway.

Social Security Reciprocal Agreements (Bilateral agreements):

Australia	Dominican Republic	Russia
Argentina	Ecuador	Tunisia
Andorra	Mexico	Ukraine
Brazil	Morocco	United Kingdom
Canada	Paraguay	United States
Chile	Peru	Uruguay
Colombia	Philippines	Venezuela
Cabo Verde	Corea	Japan

Please note that this list of countries may change from time to time and you should seek advice prior to the start of expatriation.

Appendix D:

Spain contacts and offices

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